

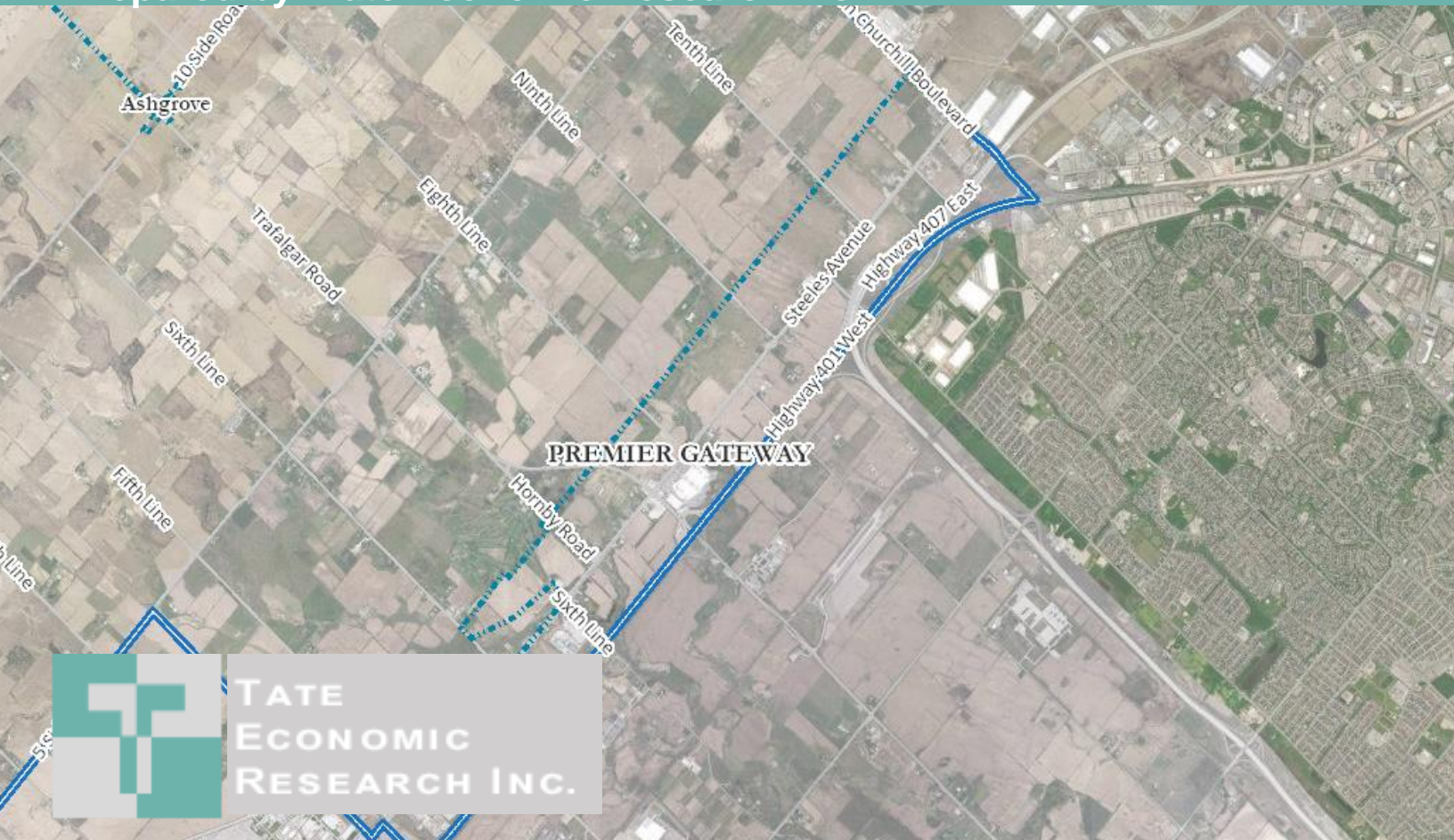
Employment Analysis and Scoped Needs Assessment

**8079 Eighth Line
Halton Hills, ON**

March 11, 2022

Prepared for: Town of Halton Hills

Prepared by: Tate Economic Research Inc.



**TATE
ECONOMIC
RESEARCH INC.**

Jeff Markowiak, MCIP, RPP
Director of Development Review
Planning & Development
Town of Halton Hills
1 Halton Hills Drive, Halton Hills
L7G 5G2

March 11, 2022

Re: Employment Analysis and Scoped Needs Assessment
8079 Eighth Line, Halton Hills, ON

Dear Mr. Markowiak:

Tate Economic Research Inc. is pleased to submit this Employment Analysis and Scoped Needs Assessment for a proposed integrated recreation / entertainment development consisting of a waterpark, hotel, and conference centre with ancillary uses located at 8079 Eighth Line. We look forward to discussing the results with you.

Yours truly,

TATE ECONOMIC RESEARCH INC.

A handwritten signature in black ink, appearing to read 'S. Patel', with a stylized flourish at the end.

Sameer Patel
Vice President

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Executive Summary

The Town of Halton Hills retained Tate Economic Research Inc. (“TER”) to complete the Supportive Commercial Needs Assessments for both the Phase 1B and Phase 2B Premier Gateway Secondary Plan studies. The Town has again retained TER to conduct an Employment Analysis and Scoped Needs Assessment for an integrated recreation / entertainment development consisting of a waterpark, hotel and conference centre with ancillary uses (“Proposed Development”) contemplated for lands located within the Phase 2B planning area but intended to be incorporated within the Phase 1B Secondary Plan lands by way of a site-specific Official Plan Amendment. The lands subject to the Proposed Development are located near the north east corner of Steeles Avenue and Eighth Line and is municipally addressed as 8079 Eighth Line Halton Hills (“Subject Site”).

Background

The Proposed Development is conceptual and will be refined. However, it currently consists of the following components:

- 105,100 sq. ft. indoor waterpark and waterpark guest services
- 350+ room hotel
- Ancillary uses potentially including:
 - 30,300 sq. ft. family entertainment centre (FEC) / convention centre
 - 15,100 sq. ft. food hall
 - 6,000 sq. ft. arcade
 - 5,000 sq. ft. restaurant
 - 32,300 sq. ft. flying theatre¹
 - 12,800 sq. ft. spa

¹ “Flying Theatre” is a type of simulator ride which consists of one or several motion systems and a large screen.

Summary of Findings

The Subject Site is situated within the Phase 2B Employment Area in the Premier Gateway Employment Area.

- Minutes of Settlement (pertaining to the land owner's appeal of Regional Official Plan Amendment 47) between the land owner, the Town of Halton Hills and Region of Halton allow for the land owner to bring forward a development proposal by way of a site-specific Official Plan Amendment application that will serve to integrate the Subject Site into the Phase 1B Employment Area Secondary Plan, which applies to the lands west of Eighth Line and north of Steeles Avenue.
- The land owner has opted to exercise this right to proceed with an application within the Phase 1B Employment Area. A Secondary Plan was approved for the Phase 1B Employment Area on February 23, 2021.
- The Phase 2B Employment Area is currently the subject of a Secondary Plan review.

The Proposed Development is consistent and complimentary with existing and proposed uses in the Premier Gateway Employment Area.

- The lands kitty corner to the Subject Site are designated Gateway Area and are within the Gateway Employment Area. These lands are occupied by the Toronto Premium Outlets
- The Proposed Development is adjacent to the current eastern boundary of the Phase 1B Employment Area. The Proposed development is adjacent to designated Prestige Industrial Area lands.
- The lands immediately to the west of the Subject Site in the Phase 1B Employment Area are subject to the development application for warehouse uses on a 74 acre parcel.
- Although the Subject Site is in the Phase 2B Employment Area planning area, the Subject Site is physically separated from the remainder of the Phase 2B Employment Area by Sixteen Mile Creek.

Based on an examination of the comparable waterparks, it is the opinion of TER that the Proposed Development represents a viable concept from an on-site programing perspective.

- The Proposed Development has all the elements of the comparable successful waterparks.
- These amenities include restaurants, family entertainment activities and hotels located either on-site or in-proximity.

The Proposed Development is well located from the perspective of surrounding uses and accessibility.

- The Proposed Development provides a solution for an irregular shaped land parcel that may be difficult to develop for typical industrial uses.
- The Proposed Development would be consistent and complementary with some of the surrounding uses, specifically the Toronto Premium Outlets.
- The Proposed Development will benefit from the visibility provided by its proximity to the Toronto Premium Outlets and the traffic generated by the Outlets.
- The Proposed Development requires a regional draw, which will be facilitated by its location and ease of access via Highways 407 and 401.

The market area surrounding the Subject Site possesses the population and expenditure characteristics required for the successful operation of the Proposed Development.

- Most attractions are supported by the surrounding travelling public. There are approximately 2.9 million people living within a 30-minute drive of the Subject Site. There are approximately 8.4 million people living within a 60-minute drive of the Subject Site.
- On average, households within a 60-minute drive time of the Subject Site spend \$3,128 on recreational services. This is similar to the two GTA waterparks (Wet 'n' Wild and Splash Works at Canada's Wonderland).
- The Subject Site represents a clear opportunity for a hotel use based on the lack of hotels at the Highway 401 / Trafalgar Road intersection and Halton Hills in general.

- There are several secondary uses planned in the Proposed Development. It is the opinion of TER that these uses are ancillary to the main waterpark use. These uses, such as the food hall, restaurant, flying theatre, family entertainment centre and spa, will all have demand synergies with the hotel and waterpark use and therefore are considered appropriate uses on the Subject Site.

The Proposed Development can be considered a major employment generator.

- Based on standard employee per square foot and employee per hotel room metrics, the Proposed Development would generate between 525 to 895 employees on-site. This represents direct employment and does not include in-direct or construction employment.
- The on-site direct employment represents an employment density of 67 to 115 jobs per hectare.
- The major employment generation at the Proposed Development will contribute to balancing the low employment generated within the logistics and warehouse developments which can range from 5 to 30 jobs per hectare. The demand for logistics and warehouse facilities is expected to remain strong in the GTA as e-commerce continues to grow and demand for associated logistics and warehouse facilities increases.

It is the opinion of TER that the Proposed Development will not impact the employment land development in the larger Premier Gateway Employment Area in which it is located.

- The lands immediately to the west of the Subject Site in the Phase 1B Employment Area are subject to the development application for warehouse uses on a 74 acre parcel.
- The Proposed Development is physically separated from the remainder of the Phase 2B Employment Area by the Sixteen Mile Creek tributary feature and therefore will not be a detriment to future employment uses.
- It is noted there were similar concerns raised about the impact of Toronto Premium Outlets when it was initially proposed. However, currently there are two major employment development applications in the Phase 1B Employment Area. One of these development applications is located directly opposite Toronto Premium Outlets.

- We assume that the proposed widening of Steeles Avenue West will accommodate future traffic and mitigate issues anticipated by the increased traffic at the Subject Site.
- The main access to Phase 1B is via Trafalgar Road to the west. There is also a collector road proposed west of Trafalgar Road. In addition, there is also a collector road proposed within the Phase 2B Employment Area which will alleviate traffic along Steeles Avenue.
- Components of the Proposed Development such as the food services and hotel will play a supportive commercial role, serving the surrounding employment lands.

TER Recommendations

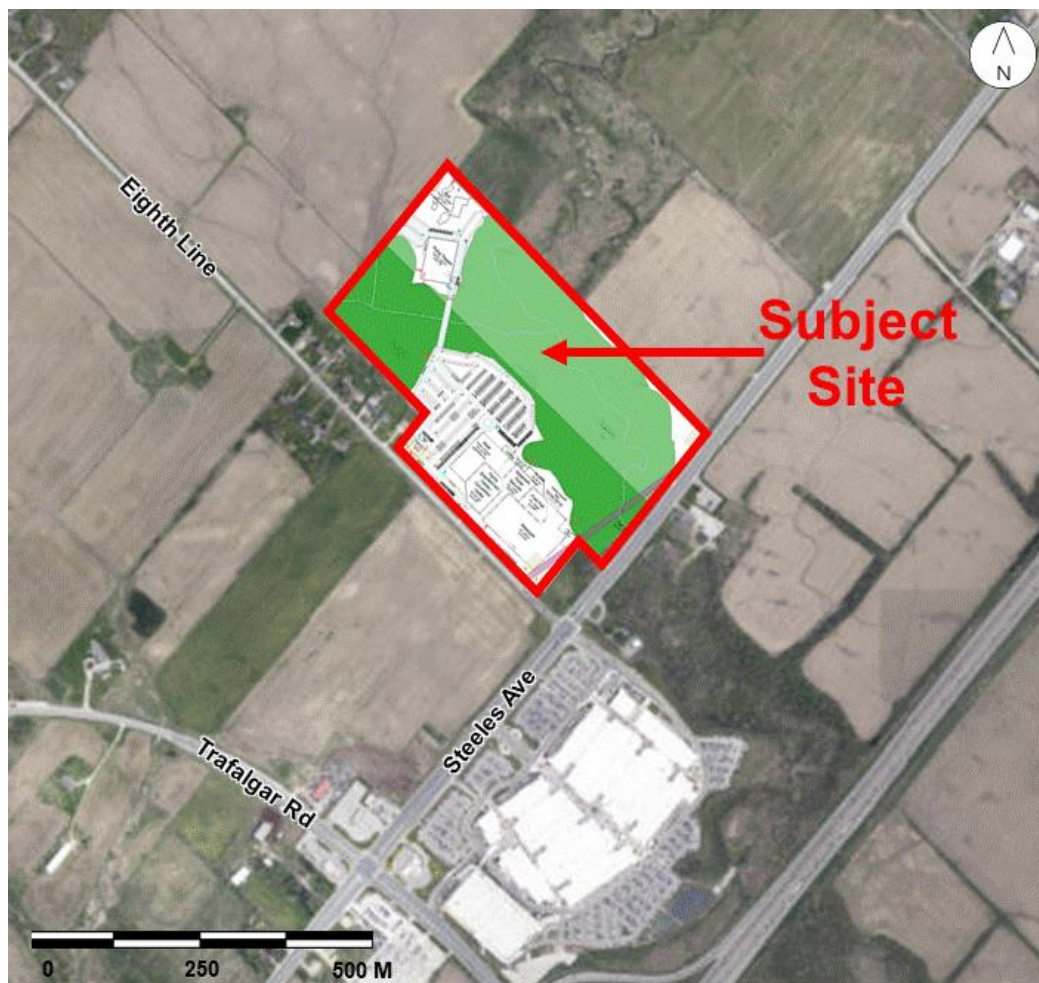
It is the opinion of TER that the Proposed Development represents a major employment use based on its scale and the potential employment density. Furthermore, it is our opinion, based on the location and surrounding uses, that the Proposed Development will not impact the employment land development in the larger Premier Gateway Employment Area.

Therefore, it is the opinion of TER that the Proposed Development should be approved on the basis of market demand and potential to generate employment.

1 Introduction

The Town of Halton Hills retained Tate Economic Research Inc. (“TER”) to complete the Supportive Commercial Needs Assessments for both the Phase 1B and Phase 2B Premier Gateway Secondary Plan studies. The Town has again retained TER to conduct an Employment Analysis and Scoped Needs Assessment for an integrated recreation/entertainment development consisting of a waterpark, hotel and conference centre with ancillary uses (“Proposed Development”) contemplated for lands located within the Phase 2B planning area but intended to be incorporated within the Phase 1B Secondary Plan lands by way of a site-specific Official Plan Amendment. The lands subject to the Proposed Development are located near the north east corner of Steeles Avenue and Eighth Line and is municipally addressed as 8079 Eighth Line Halton Hills (“Subject Site”).

Figure 1-1: Subject Site and Proposed Development

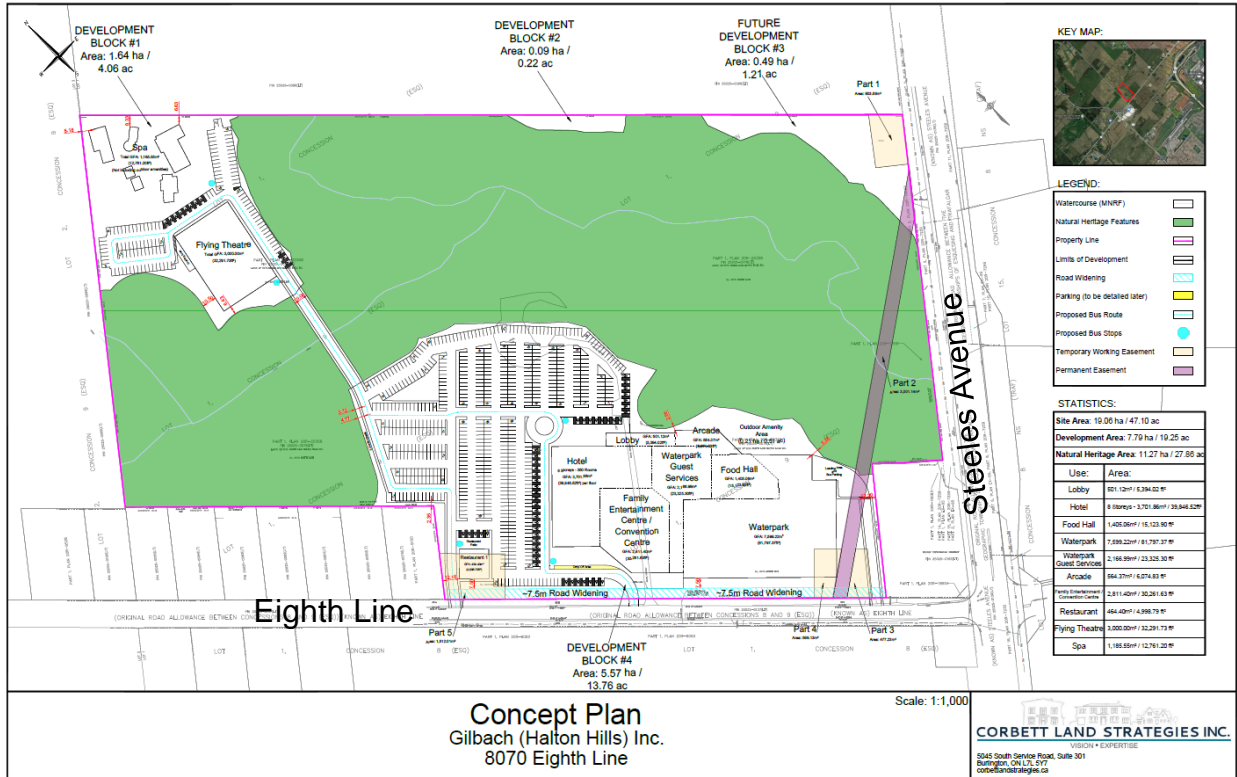


Source: Tate Economic Research Inc. Basemap: Esri ArcGIS

1.1 Proposed Development

Figure 1-2 illustrates a potential configuration for the Proposed Development provided by the Gilbach (Halton Hills) Inc. (“applicant” or “land owner”).

Figure 1-2: Development Concept



Source: Gilbach (Halton Hills) Inc.

The Proposed Development is conceptual and will be refined. However, it currently consists of the following components:

- 105,100 sq. ft. indoor waterpark and waterpark guest services
- 350+ room hotel
- Ancillary uses potentially including:
 - 30,300 sq. ft. family entertainment centre (FEC) / convention centre
 - 15,100 sq. ft. food hall
 - 6,000 sq. ft. arcade
 - 5,000 sq. ft. restaurant

- 32,300 sq. ft. flying theatre²
- 12,800 sq. ft. spa

While the surrounding ancillary uses may be subject to change, the intent of the current development is to provide employment opportunities through the delivery of a regional-scaled entertainment complex.

1.2 Terms of Reference

TER prepared a Terms of Reference with input from the Town of Halton Hills outlining our understanding of the requirements and proposed methodology of the Employment Analysis and Scoped Needs Assessment. This Terms of Reference was submitted and approved by the Town of Halton Hills and is appended to this report as Appendix A.

The Minutes of Settlement (pertaining to the land owner's appeal of Regional Official Plan Amendment 47) between the land owner, the Town of Halton Hills and Region of Halton allow for the land owner to bring forward a development proposal by way of a site-specific Official Plan Amendment application that will serve to integrate the Subject Site into the Phase 1B Employment Area, which applies to the lands west of Eighth Line and north of Steeles Avenue. The land owner has exercised their right to bring this application within the Phase 1B Employment Area.

The Terms of Reference refer to the impact on the Phase 2B Secondary Plan and not the Phase 1B Employment Area. This is because the land owner's decision to proceed within the Phase 1B Employment Area occurred after the approval of the Terms of Reference. The decision to proceed within the Phase 1B Employment Area does not alter the intent of the work scope.

The mandate of this study, as per the Terms of Reference, is:

"To analyze the opportunity for the Subject Lands, including confirming its function as a major employment generating commercial use and evaluating its impact, if any, on the 2B Secondary Plan in process with respect to recommended designations and policy framework related to supportive commercial uses."

² "Flying Theatre" is a type of simulator ride which consists of one or several motion systems and a large screen

At the request of Halton Region, the Terms of Reference also includes the following reference:

As part of this analysis, TER will examine:

- *Whether the use is appropriate within the policy formulation context underway for the 2B Premier Gateway Employment Area Secondary Plan and the Region Official Plan, including Section 77 (20.1) b)*

This policy refers to the Minutes of Settlement from the resolution of the Applicants appeal of ROPA 47. With respect to the Subject Site, the approved policy states:

Notwithstanding Section 77(16) of this Plan, the lands municipally known as 8079 Eight Line...may be permitted to develop prior to 2021 in accordance with the other policies of this Plan, provided that a Local Official Plan Amendment is approved that:

(b) a local official plan amendment is approved that supports the development of a major employment use

The reference to Section 77 (20.1) b) refers to the future location of the policy in the Regional Official Plan.³ In a general sense, the purpose of this study is to determine if the Proposed Development constitutes a “major employment use” and comment on the opportunity for the Proposed Development.

1.3 Work Scope

TER prepared the following work scope based on our understanding of the requirements and the Proposed Development. This work scope is based on the approved Terms of Reference:

- **Development Concept Review** – TER reviewed the Proposed Development in terms of its concept suitability in the context of the competitive offerings.
- **Subject Site Suitability** – TER reviewed the Subject Site in terms of its suitability for the Proposed Development from a location, accessibility and synergies with surrounding uses perspective.

³ As per the Affidavit of Owen McCabe, MCIP, RPP, Senior Planner with the Regional Municipality of Halton with respect to the ROPA 47 LPAT hearing (ultimately settled) for the Subject Lands (LPAT Case No. PL180499).

- **Demand for the Proposed Use** – TER reviewed applicability and appropriateness of existing research conducted with respect to demand for the Proposed Development.
- **Impacts on the Remainder of the Premier Gateway Employment Area** – TER reviewed the Proposed Development in the context of its appropriateness with the Premier Gateway Employment Area.
- **Major Employment Assessment** – TER assessed the alignment of the Proposed Development in terms of the requirements for a major employment use.

1.4 Basic Assumptions

This report and its recommendations should be reviewed considering the basic assumptions, which are outlined below:

- This report is being prepared during the Covid-19 pandemic. We recognize that this pandemic will result in changes to the industry. Overall, it is our opinion that the analysis in this report remains appropriate during pandemic conditions primarily due to the anticipated 3 to 5 year build out of the Proposed Development.
- All other input data is current at the time of preparing this report and is presumed to be accurate. Should inputs change, TER reserves the right to update the conclusions of this report.

This report and its recommendations should be reviewed considering these basic assumptions.

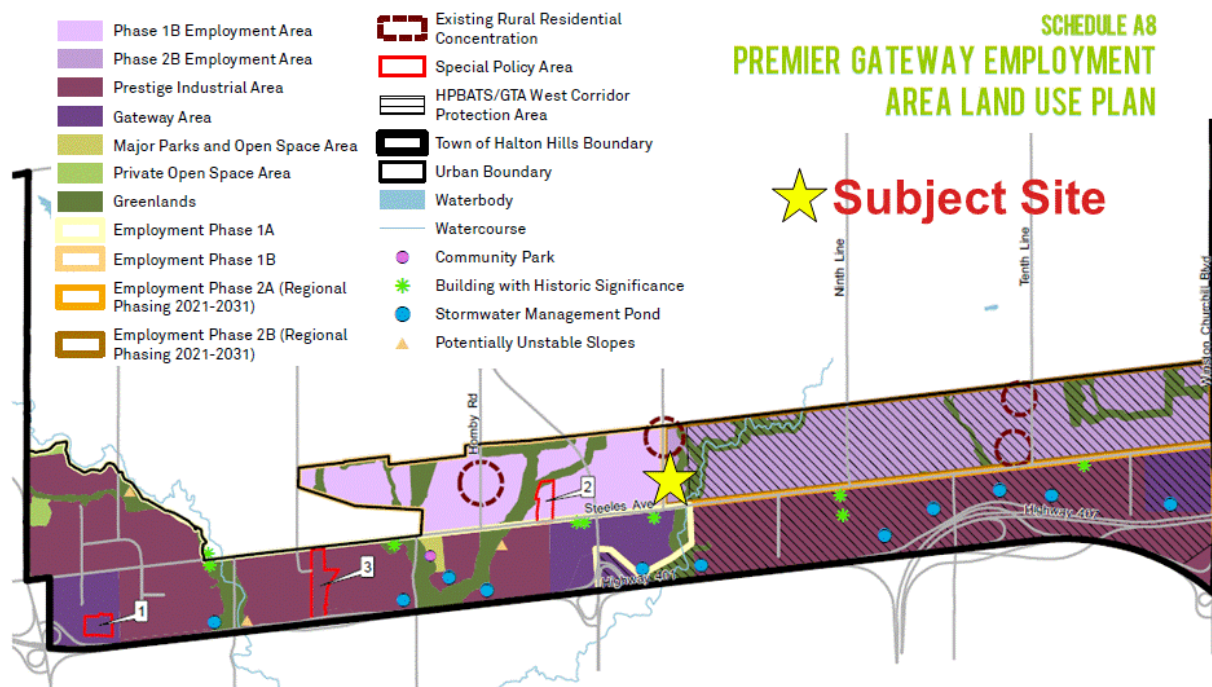
2 Premier Gateway Employment Area Context

This section of the report provides a high level overview of the Premier Gateway Employment Area to contextualize the Subject Site. A detailed examination of all the relevant policies on the Official Plan is provided in the planning justification report.

2.1 Premier Gateway Employment Context

The Subject Site is in the Premier Gateway Employment Area, which includes the lands generally located north of Highway 401 along Steeles Avenue between Winston Churchill Boulevard and James Snow Parkway in Halton Hills. More specifically, the Subject Site is located within the Phase 2B Employment Area of the Premier Gateway Employment Area and adjacent to the Phase 1B Employment Area in which the development application will proceed.

Figure 2-1: Premier Gateway Employment Area



Source: Tate Economic Research Inc. Basemap: Halton Hills Official Plan, Schedule A8, annotated by TER.

The Subject Site is adjacent to the designated Gateway Area which includes the Toronto Premium Outlets. The objective of the Gateway Area designation is indicated below:

- a) *establish visually attractive points of entry into the Town of Halton Hills that will provide commercial services in support of the Prestige Industrial Area;*
- b) *draw the travelling public off Highway 401/407 allowing an introduction to the Town of Halton Hills and its attractions and amenities beyond the Premier Gateway Employment Area; and*
- c) *provide a location for services that are important to the support of the primary industrial function of the Corridor such as hotels, financial services and opportunities for shopping.⁴*

While it is not the intent of this report to recommend the land use, the purpose of highlighting the Gateway designation is to draw attention to potential benefits of the Proposed Development which are aligned with the objectives of the Gateway Area designation as will be examined in this report.

2.2 Premier Gateway Phase 1B Employment Area

The application for the Proposed Development will proceed within the Phase 1B Employment Area. The Vision Statement of the Phase 1B Employment Area as per the Secondary Plan is:

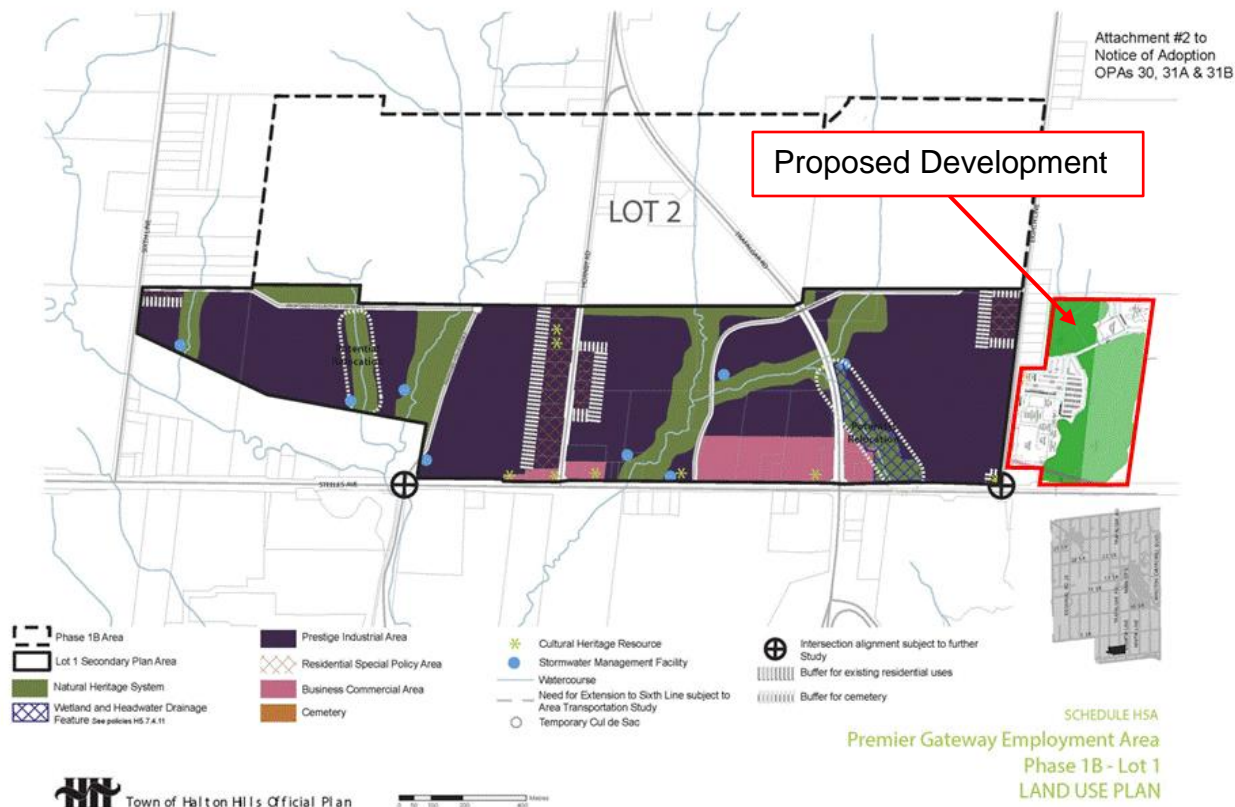
The Secondary Plan Area will be a high quality, comprehensively planned, prestige employment area that forms a key component of the Town's strategic gateway. It will diversify and enhance the Town's economic base and increase employment options. Visually attractive and sustainable development will enhance the stature of the area and improve resiliency. The natural heritage resources, which help to define the character of the area, will be protected, enhanced and where possible, restored. Access and connectivity will be improved, and attractive and comfortable streetscapes will encourage active transportation and support future public transit. Development will proceed based on full municipal services that meet the needs of businesses and existing residents.

Figure 2-2, on the following page, illustrates the Phase 1B Employment Area (Lot 1) and the location of the Proposed Development in relation to the employment area. The Proposed Development is adjacent to the current eastern boundary of

⁴ Halton Hills Official Plan, May 1, 2019, consolidation, Policy D3.5.2

the Phase 1B Employment Area. The Proposed development is adjacent to designated Prestige Industrial Area lands.

Figure 2-2: Premier Gateway Employment Area and Proposed Development



Source: Tate Economic Research Inc. Basemap: Halton Hills Official Plan, Schedule H5A, annotated by TER with the Proposed Development.

2.3 Premier Gateway Phase 2B Employment Area Secondary Plan

The Subject Site is in the Premier Gateway Phase 2B Employment Area planning area under the Town of Halton Hills Official Plan. The description of the Secondary Plan as per the Town of Halton Hills website is:

Town is currently undertaking Phase 2B Employment Area Integrated Planning Project (also referred to as a Secondary Plan) for the Premier Gateway area. The Phase 2B area is approximately 257 hectares and is located north of Steeles Avenue, between Eighth Line and Winston Churchill Boulevard, in Halton Hills.

The Premier Gateway Phase 2B area is planned to accommodate employment growth to the year 2031. The purpose of the project is to

develop a comprehensive Secondary Plan with appropriate land use designations and policies. A Scoped Subwatershed Study and a series of other technical studies will be prepared to better understand the opportunities and constraints to development.

Currently, two land use options have been developed by the Secondary Plan consultant team. It should be noted that both draft land use options currently being contemplated for the Secondary Plan area envision the same Prestige Industrial Area designation for the Subject Site. However, given the applicants decision to proceed within the Phase 1B Employment Area, this draft designation may be subject to a site-specific special policy area.

Although the Subject Site is in the Phase 2B Employment Area policy area, the Subject Site is physically separated from the remainder of the Phase 2B Employment Area by Sixteen Mile Creek.

It should be noted that TER conducted Supportive Commercial Needs Assessments for both Phase 1B and 2B. The mandate of the Supportive Commercial Needs Assessments was to determine the need for commercial floor space in the new development area to support the employment uses and how much land should be designated/zoned for these commercial uses.

The TER Supportive Commercial Needs Assessment is intended to inform the Secondary Plan team in terms of the quantum and potential location for supportive commercial uses. The study did not account for specific development applications such as Proposed Development that is the subject of this report.

2.4 Premier Gateway Employment Area Context Conclusions

It is our understanding that the applicant will be seeking a site specific designation that permits the Proposed Development. In addition, the applicant will also be seeking to obtain permission for the industrial/non-residential uses permitted under the Prestige Industrial Area designated lands within the Phase 1B Employment Area. This report does not address the Prestige Industrial Area permissions.

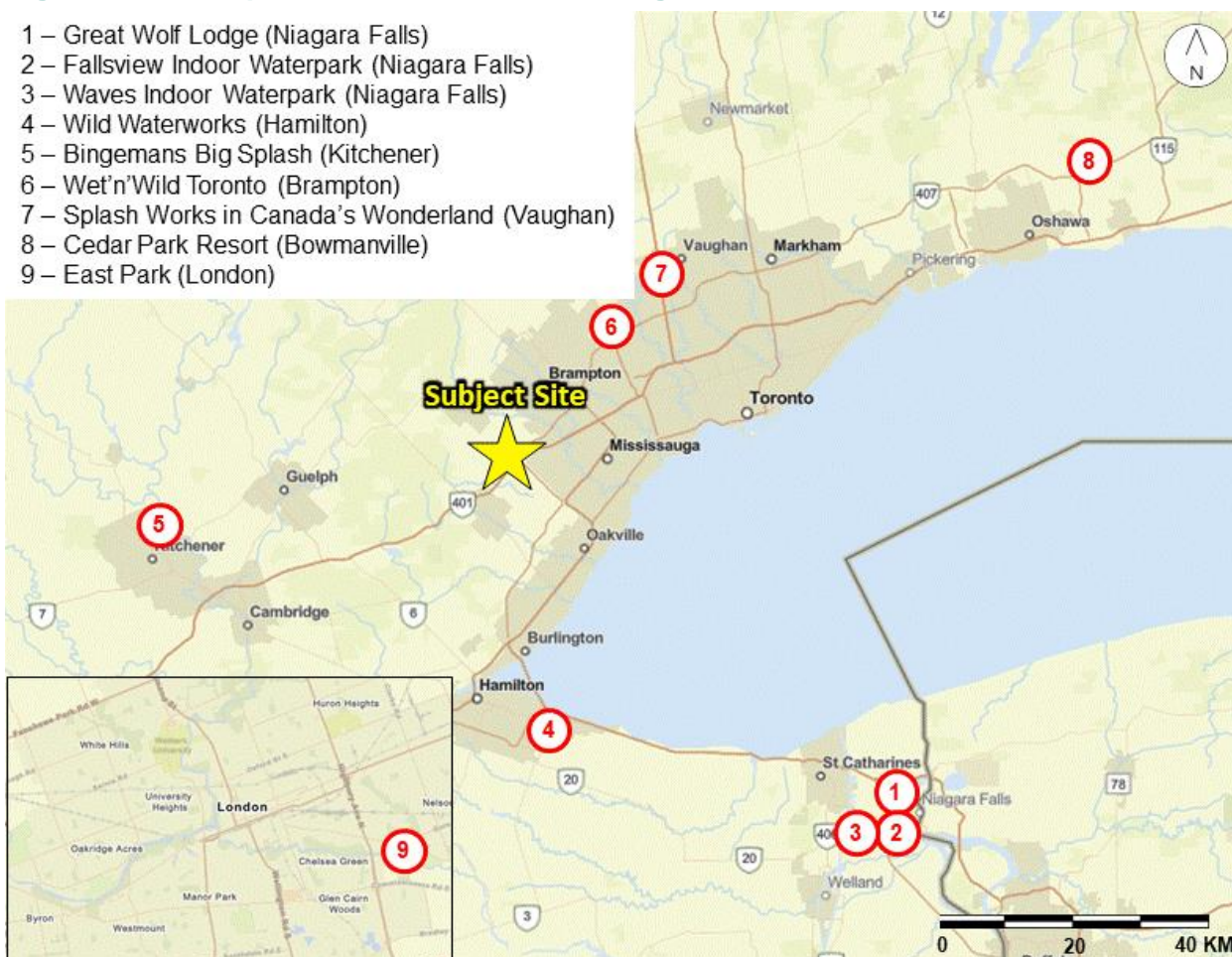
3 Development Concept Assessment

This section of the report examines the Proposed Development in terms of its concept suitability in the context of the competitive offerings. It is noted that the concept is considered preliminary and is subject to change.

3.1 GTA and Surrounding Comparables

To assess the appropriateness of the Proposed Development, TER has examined other waterparks in Ontario. Figure 3-1 illustrates the locations of these waterparks followed by a description of each. There are nine waterparks in the GTA and the surrounding area.

Figure 3-1: Waterparks in GTA and Surrounding



Source: Tate Economic Research Inc.; Basemap: Esri ArcGIS.

Great Wolf Lodge - Niagara Falls



Size: 8.5 acres waterpark complex

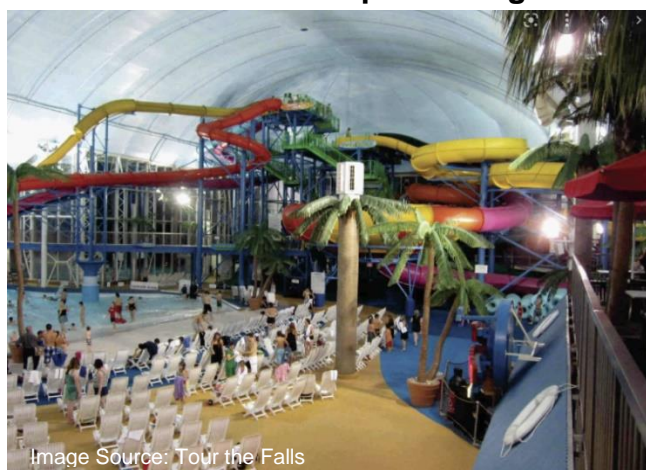
Waterpark Features: Water slides, wave pool, water fort, hot tubs, outdoor pool, lazy river

Hotel: On-site, over 400 hotel rooms

Other: Gym, on-site restaurants (not branded), mini golf, bowling alley, arcade

Official Plan Designation: Tourist Commercial

Fallsview Indoor Waterpark - Niagara Falls



Size: 5.5 acres waterpark complex

Waterpark Features: Water slides, tipping bucket, wave pool, outdoor pool

Hotel: 3 hotels located on-site with direct indoor connections to waterpark: Sheraton Fallsview Hotel, Crowne Plaza Niagara Falls, and Skyline Hotel & Waterpark

Other: Play areas, jungle gym, and on-site restaurants (branded)

Official Plan Designation: Tourist Commercial

Waves Indoor Waterpark - Niagara Falls



Size: 3 acres waterpark complex

Waterpark Features: Wave pool, water slides, tipping bucket

Hotel: Waterpark located in Americana Waterpark Resort & Spa, 200 guest rooms on site

Other: Gym, spa, on-site restaurants (branded)

Official Plan Designation: Tourist Commercial

Wild Waterworks - Hamilton



Size: 12 acres waterpark complex

Waterpark Features: Wave pool, 6 water slides, wading pool

Hotel: In proximity to waterpark (7 min)

Other: On-site restaurants (non-chain)

Official Plan Designation: Open Space

Bingeman's Big Splash - Kitchener



Size: 9 acres waterpark complex

Waterpark Features: Heated wave pool, 11 water slides, splash pad

Hotel: In proximity to waterpark (10 min)

Other: On-site restaurants (chain)

Official Plan Designation: Business Park Employment

Wet 'n' Wild Toronto - Brampton



Size: 45 acres waterpark complex

Waterpark Features: Water slides, wave pool, lazy river

Hotel: In proximity to waterpark (8 min)

Other: Zip lines, on-site restaurants (chain)

Official Plan Designation: Open Space

Splash Works at Canada's Wonderland - Vaughan



Size: 20 acres waterpark

Waterpark Features: 17 different water slides and water attractions

Hotel: In proximity to waterpark (8 min)

Other: On-site restaurants (chain)

Official Plan Designation: Theme Park & Entertainment

Cedar Park Resort - Bowmanville



Size: 1.7 acres waterpark

Waterpark Features: Water slides, pools, splash pads

Hotel: In proximity to waterpark (15 min)

Other: Mini golf, picnic grounds, and RV/trailer camping on-site

Official Plan Designations: Tourism Node

East Park - London



Size: 9 acres waterpark complex

Waterpark Features: Water slides, splash pad, wave pool

Hotel: In proximity to waterpark (9 min)

Other: Golf, rock climbing, bumper cars, arcade, jungle gym, go-karts, mini golf, day camps, on-site restaurants (non-chain)

Official Plan Designations: Green Space

3.2 Development Concept Assessment Conclusion

The preceding comparables illustrate that, in addition to the main waterpark attraction, there are additional elements that contribute to the success of the overall projects. These amenities include restaurants, family entertainment activities and hotels located either on-site or in proximity.

The Proposed Development has all the elements of the comparable successful waterparks including, on-site restaurants and hotel as well as a family entertainment centre. It should be noted that aside from the three waterparks in Niagara Falls, all the other waterparks are outdoor.

Based on an examination of the comparables, it is the opinion of TER that the Proposed Development represents a viable concept from an on-site programming perspective. The indoor format of the waterpark at the Proposed Development is a significant benefit compared to the surrounding waterpark competition which is outdoor.

4 Subject Site Suitability

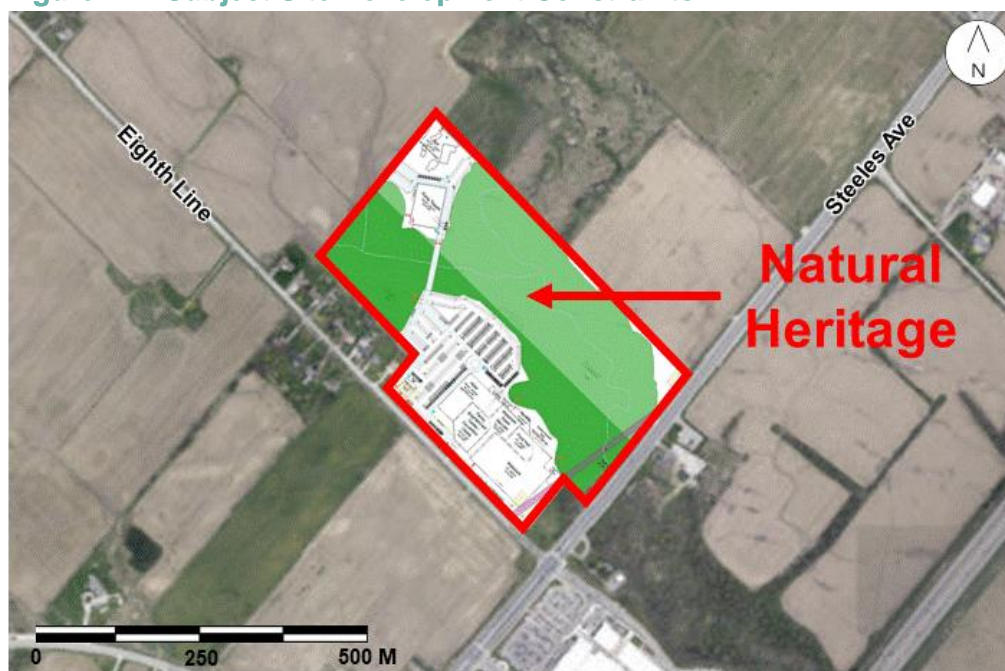
The previous section of the report examined whether the Proposed Development is appropriate from an on-site programming perspective. This section of the report examines whether the Subject Site is an appropriate location for the Proposed Development.

4.1 Subject Site Characteristics

Figure 4-1 illustrates the Subject Site parcel. The following observations are made with respect to the parcel characteristics:

- The developable land on the Subject Site is an irregular shape reflecting the constraints presented by the Sixteen Mile Creek natural heritage system.
- The Subject Site is 47.1 acres, however, only 19.3 acres is developable.

Figure 4-1: Subject Site Development Constraints

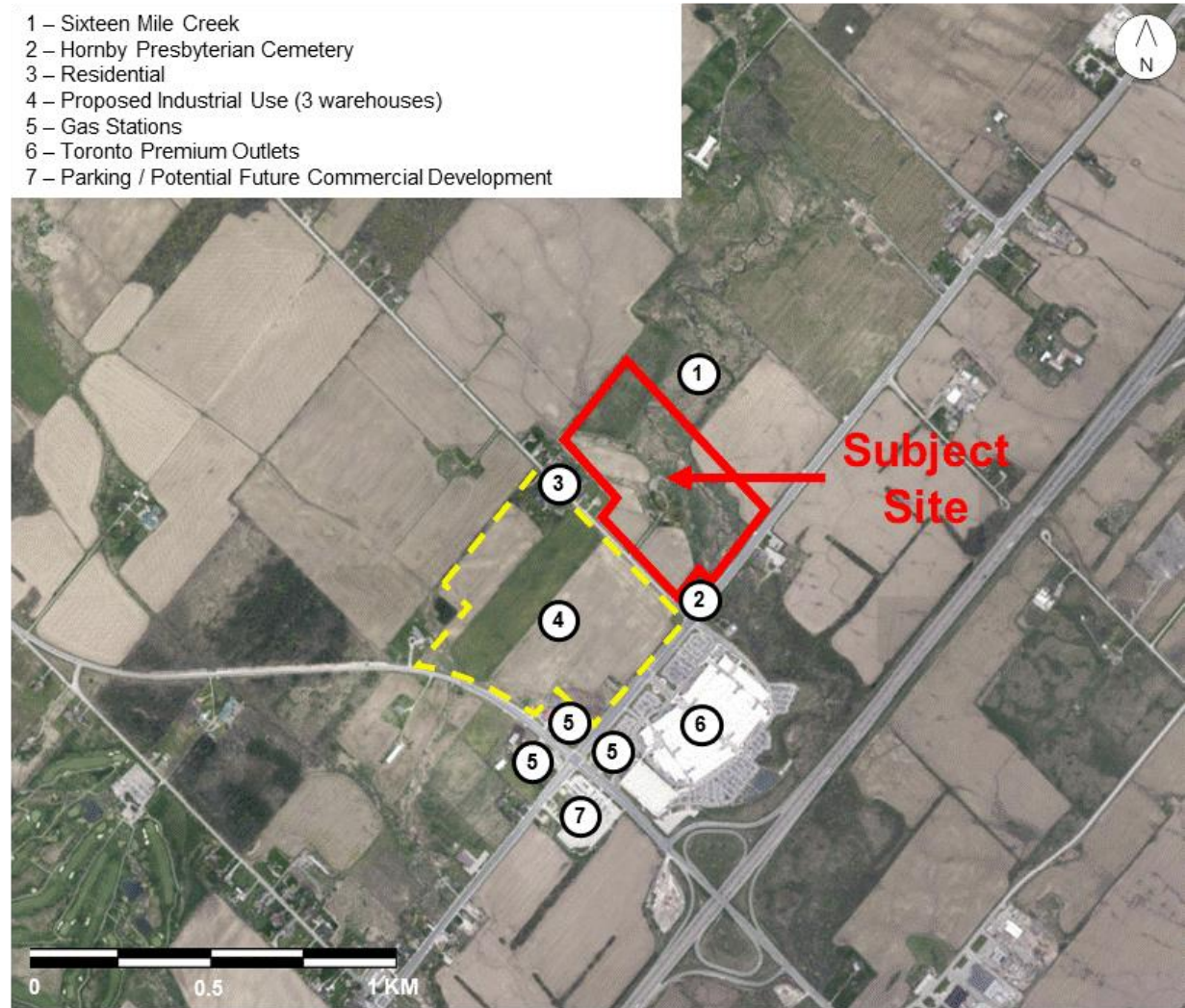


Source: Tate Economic Research Inc.: Basemap: Esri ArcGIS.

4.2 Surrounding Land Uses & Access

Figure 4-2, on the following page, illustrates the surrounding land uses and accessibility characteristics.

Figure 4-2: Surrounding Land Uses



Source: Tate Economic Research Inc.: Basemap: Esri ArcGIS.

The following observations are made with respect to these attributes:

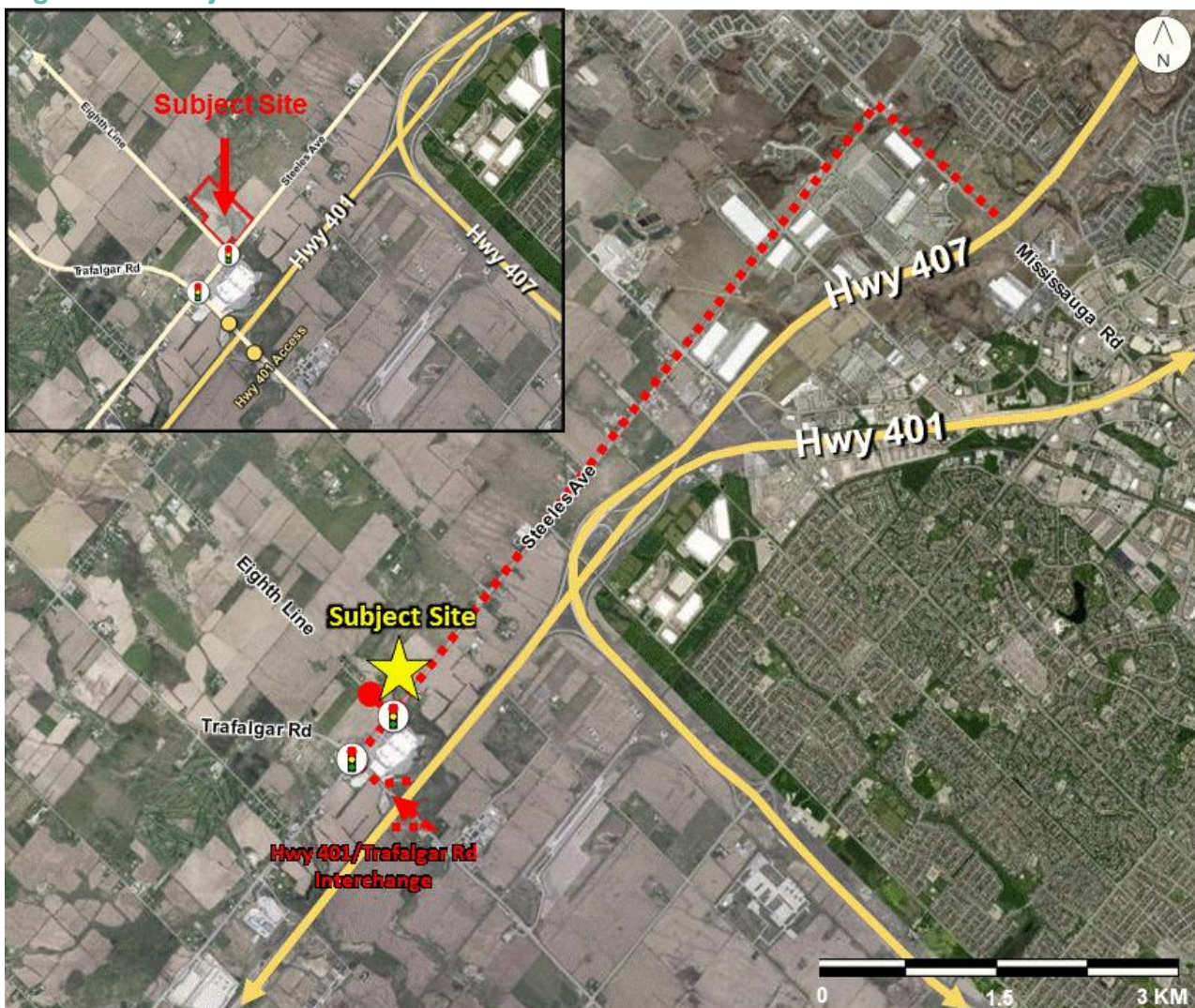
- The Subject Site is located at the north east quadrant of Steeles Avenue West and Eighth Line.
- A significant portion of the Subject Site includes Sixteen Mile Creek which is a natural heritage system and therefore development on the Subject Site is partially restricted. (Map Key #1)
- The north east corner of Steeles Avenue West and Eighth Line consists of the Hornby Presbyterian Cemetery. (Map Key #2)
- There are existing residential uses along Eighth Line. A portion of the Subject Site abuts these residential uses. (Map Key #3)

- The south east quadrant of Steeles Avenue West and Eighth Line consists of Sixteen Mile Creek and is sparsely developed with residential and commercial uses.
- The north west quadrant of Steeles Avenue West and Eighth Line is currently vacant, however there is a development application for three warehouses on the approximately 74-acre site. (Map Key #4)
- The Subject Site is located 'kitty corner' to the Toronto Premium Outlets which is located at the south east quadrant of Steeles Avenue West and Trafalgar Road. The Toronto Premium Outlets is the dominant attraction in the area and draws from the GTA and beyond. (Map Key #6)
- The north west, north east and south east corners of the Steeles Avenue West and Trafalgar Road intersection are occupied by gas stations. (Map Key #5)
- The lands at the south west quadrant of Steeles Avenue West and Trafalgar Road are currently vacant. However, the owner intends to develop the site as an 80,000 square foot commercial centre. (Map Key #7)

Figure 4-3, on the following page, illustrates the accessibility of the Subject Site. The following observations are made in terms of access:

- The Subject Site will be accessible via Eighth Line. It is our understanding that Eighth Line will be widened in proximity to the Subject Site. The Subject Site also has frontage on Steeles Avenue West. Steeles Avenue West is expected to be widened in the 2024 to 2028 period.
- The Subject Site is one of the most accessible locations in the Greater Toronto Area. It has exceptional regional access via Highway 401 and Highway 407.
- Access to the Subject Site is via both east and west bound Highway 401 via Trafalgar Road / Steeles Avenue West.
- Access to the Subject Site via Highway 407 occurs via Mississauga Road / Steeles Avenue West or via Highway 401 and Trafalgar Road / Steeles Avenue West.

Figure 4-3: Subject Site Access



Source: Tate Economic Research Inc.: Basemap: Esri ArcGIS.

4.3 Subject Site Suitability Conclusions

The Proposed Development is well located from the perspective of surrounding uses and accessibility:

- The Proposed Development provides a solution for an irregular shaped land parcel that may be difficult to develop for typical industrial uses.
- The Proposed Development would be consistent and complementary with the some of the surrounding uses, specifically the Toronto Premium Outlets.

- The Proposed Development will benefit from the visibility provided by its proximity to the Toronto Premium Outlets and the traffic generated by the Outlets.
- The Proposed Development requires a regional draw, which will be facilitated by its location and ease of access via Highways 407 and 401.

5 Proposed Development Demand Assessment

The previous sections of the report examined whether the Development Proposal is suitable based on an examination of comparables and whether the Subject Site is an appropriate location for the Development Proposal.

As per the study mandate and the Terms of Reference, one of the intents of this report is to provide a high-level demand assessment of the waterpark. This market assessment is provided in this section of the report.

5.1 Market Areas

TER has assessed the population and recreational expenditure levels for 30 and, 60-minute drive times around the nine waterparks highlighted in Section 3.2 of this report. These drive times, in addition to 120-minutes, are based on attraction studies conducted for the Province, TER professional judgement and primary research. These drive times are used for examining demand generators such as population and expenditure.

The use of drive times is described below:

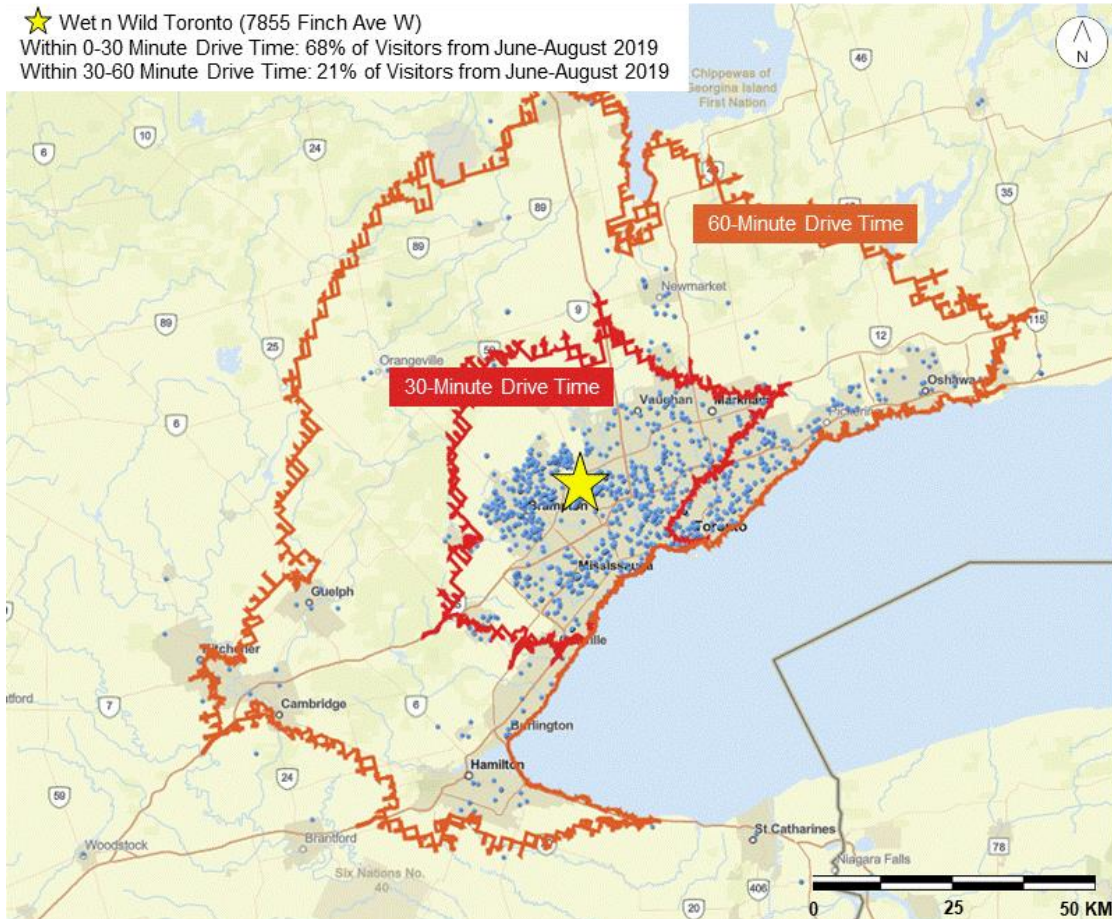
- Most attractions are supported by the surrounding travelling public. There are some attractions such as museums and art galleries that also appeal to tourists. In addition to these uses, in Toronto, the CN Tower and Ripley's Aquarium also have large tourist draws.
- The standardized industry market area definitions for major attractions are:
 - Primary Market – resident population within 0-60 minute drive time.
 - Secondary Market – resident population within 60-120 drive time.
- The proposed waterpark is not considered a “major attraction”⁵ and therefore for the purpose of this report we have defined the following market areas:

⁵ Major attractions are defined by visitor draw. As an example, the estimated annual visitor draw for the following major attractions is: Canada's Wonderland (3,600,000), Ripley's Aquarium

- Primary Market – resident population within 0-30 minute drive time.
- Secondary Market – resident population within 30-60 drive time.
- This smaller market area also takes in account the density of population around the Subject Site.
- We note that based on the locational attributes the Proposed Development will also draw a component of its demand from beyond a 60-minute drive time.

To test the appropriateness of these drive times, TER has examined the customer draw of the Wet 'n' Wild waterpark in Brampton. This waterpark, although outdoor, provides a good proxy of the visitor draw in a GTA urban area.

Figure 5-1: Wet 'n' Wild (Brampton) Customer Draw (Summer 2019)



Source: Tate Economic Research Inc.: Data: Near Location Data, Basemap: Esri ArcGIS.

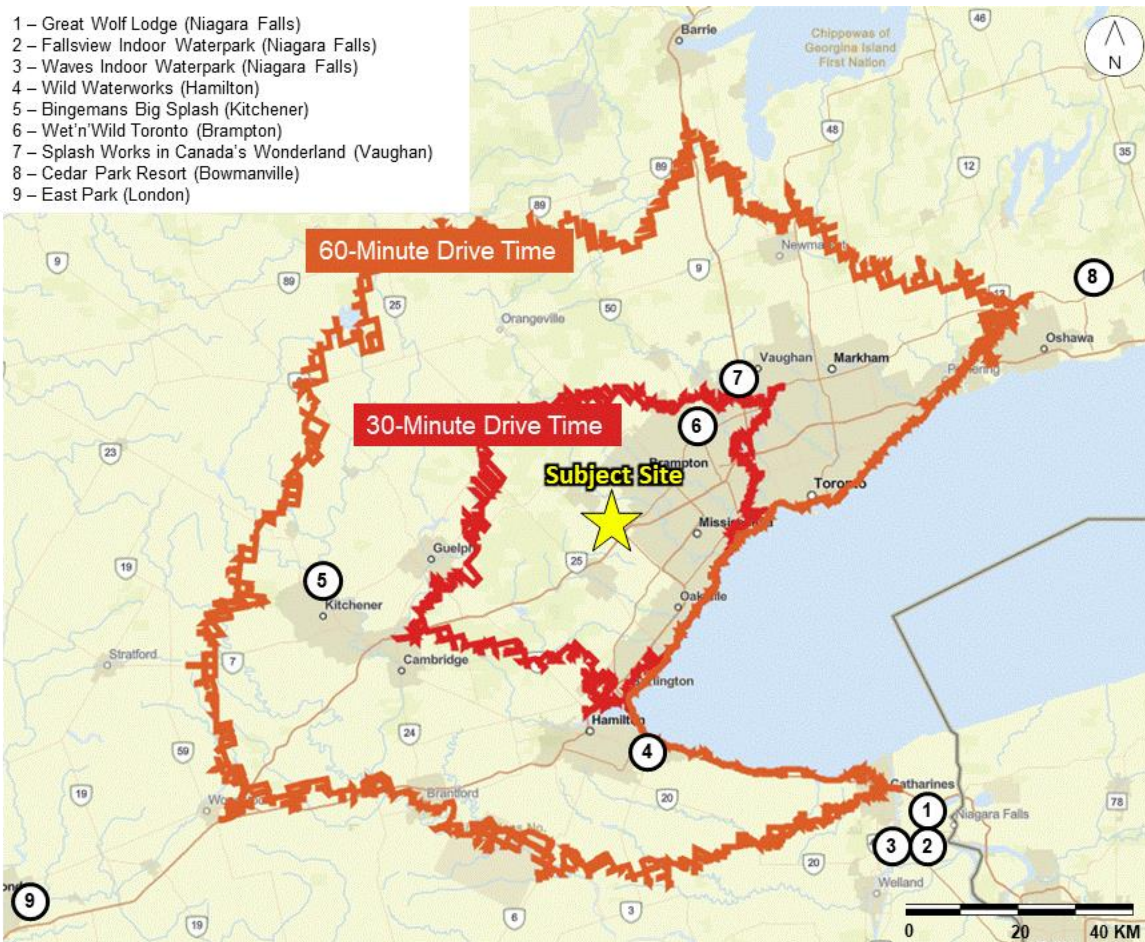
(2,100,000), CN Tower (2,000,000), Toronto Zoo (1,200,000). For comparison, Great Wolf Lodge draws approximately 445,000 annually. Data is from 2016 Ontario Attractions study.

The location data for Wet 'n' Wild Brampton illustrates that in the summer of 2019 approximately 68% of visitors originated from a 30-minute drive time of the waterpark. A further 21% originated from between a 30 to 60-minute drive.

Given the density of development around the GTA, we expect a similar visitor draw for the Proposed Development at the Subject Site. The 30- and 60-minute drive times around the Subject Site are illustrated in Figure 5-2.

As illustrated on the Figure 5-2, a 30-minute drive time encompasses the Wet 'n' Wild waterpark. A 60-minute drive time encompasses three additional waterparks, namely Splash Works (Canada's Wonderland Vaughan), Bingemans Big Splash (Kitchener) and Wild Waterworks (Hamilton).

Figure 5-2: 30 and 60-Minute Drive Times Around the Subject Site

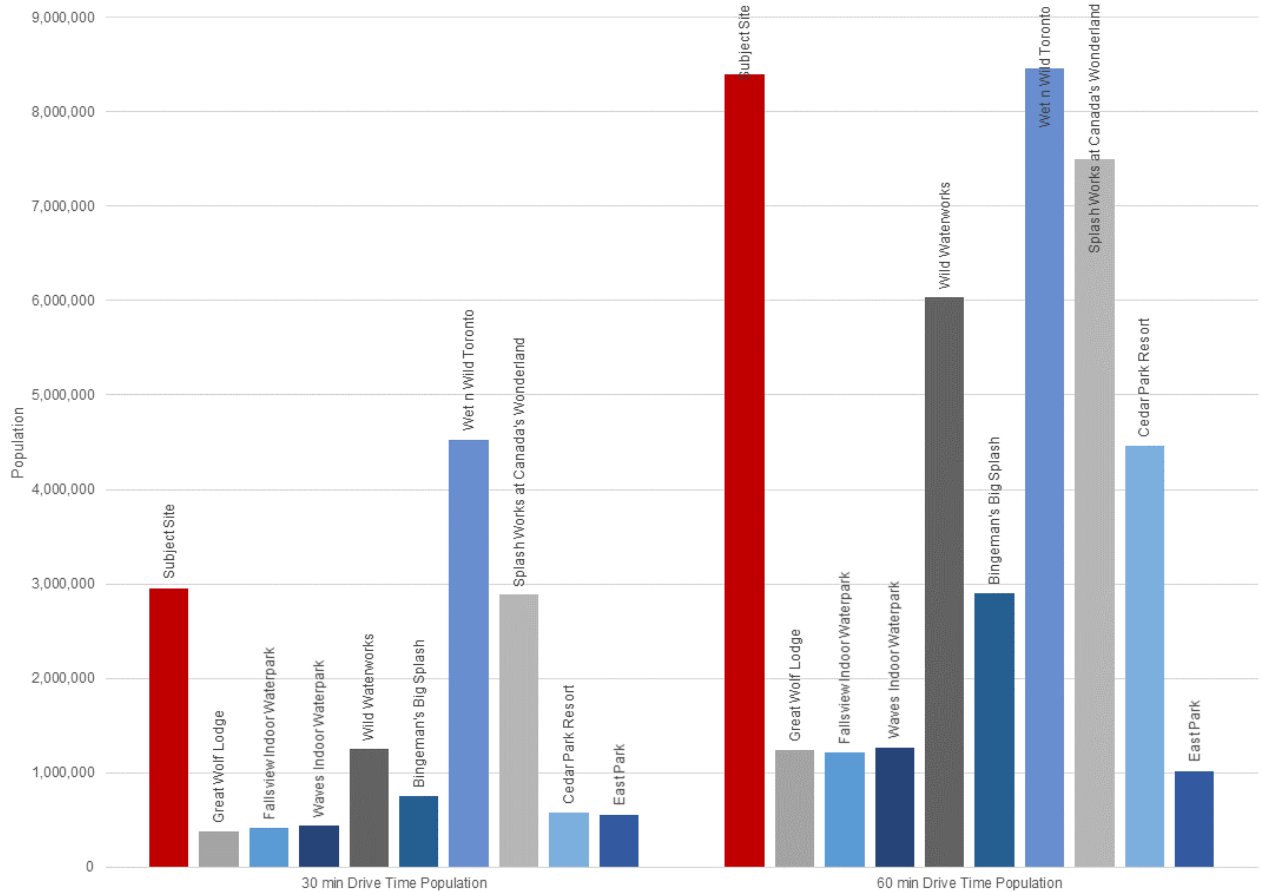


Source: Tate Economic Research Inc.: Data: Esri Business Analyst Envirionics Analytics.

5.2 Population and Recreation Expenditure Comparables

Figure 5-3 illustrates the population levels within the drive times.

Figure 5-3: GTA and Surrounding Waterpark Market Area Populations



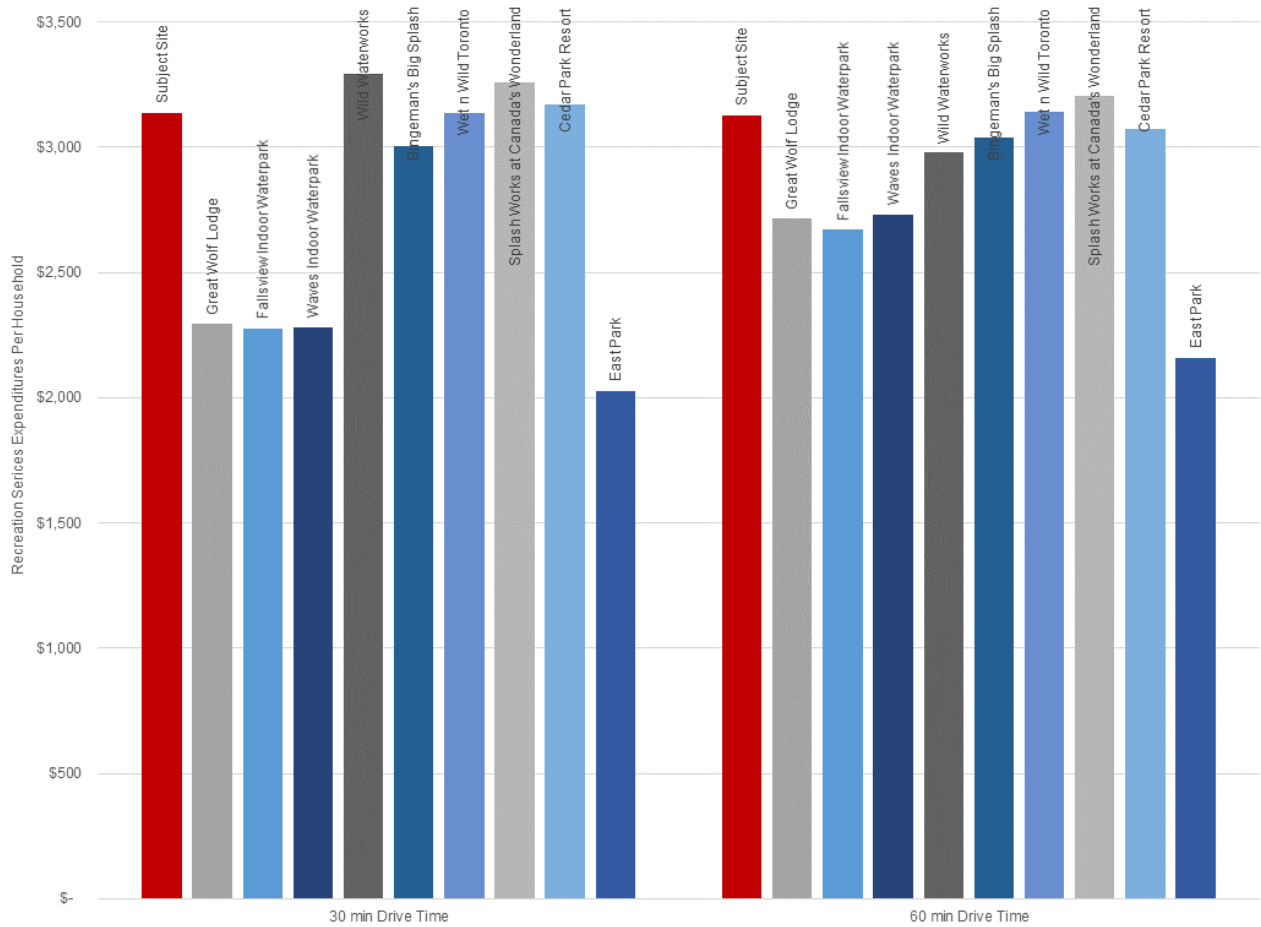
Source: Tate Economic Research Inc.: Data: Esri Business Analyst Environics Analytics.

The following observations are made with respect to the population levels:

- There are approximately 2.9 million people living within a 30-minute drive of the Subject Site. The Subject Site has the highest population within a 30-minute drive time except for Wet 'n' Wild Toronto which has a significantly higher population.
- There are approximately 8.4 million people living within a 60-minute drive of the Subject Site. Except for Wet 'n' Wild Toronto, the Subject Site has the highest population level within a 60-minute drive time. Wet 'n' Wild Toronto has a slightly higher 60-minute drive time population.

Figure 5-4 illustrates the per capita household recreation services expenditures within the drive times. Recreation services expenditures encompass a wide range of uses including waterparks, museums, performing arts, childrens' camps, arcades, amongst other activities.

Figure 5-4: GTA and Surrounding Waterpark Market Area Recreation Services Expenditures Per Household



Source: Tate Economic Research Inc.: Data: Esri Business Analyst Environics Analytics.

The following observations are made with respect to the recreation services expenditures per household levels:

- On average, households within a 30-minute drive time of the Subject Site spend \$3,138 on recreational services. This level is similar to the other GTA/Hamilton waterparks and lower than Wild Waterworks in Hamilton.
- On average, households within a 60-minute drive time of the Subject Site spend \$3,128 on recreational services. This is similar to the two GTA

waterparks (Wet 'n' Wild and Splash Works at Canada's Wonderland) and higher than the rest of the waterparks.

5.3 Hotel Locations Surrounding the Subject Site

In addition to the proposed waterpark, the other major use is the proposed hotel. For the purposes of this report TER has not conducted a hotel demand analysis, however, we have provided an opportunity assessment based on the location of surrounding hotels.

5.3.1 Hotel Market Demand Factors

Market demand for hotels is typically derived from three market segments. These segments are:

- Commercial
- Meeting and Group
- Leisure

In most markets, business travel, including individual commercial travelers and corporate groups, is the predominant source of demand on Monday through Thursday nights. Leisure travelers and non-business-related groups generate a majority of demand on Friday and Saturday nights.

The portion of hotel demand generated from each market segment can vary considerably. On a national basis, business travellers represent over 40% of hotel stays. However, a significant component of market demand for hotels is often generated by employment uses located nearby. Hotels in employment areas can generate 80% to 90% of total demand from the "Commercial" and "Meeting and Group" market segments.

The proposed hotel will be able to serve a portion of the support for the main waterpark use that will originate from beyond a 60-minute drive time of the Subject Site.

In addition, the hotel will serve shoppers visiting the premium outlets and the adjacent employment areas as well as other segments of demand that will use the conference and potential spa uses.

5.4 Hotel Locations Near the Study Area

Figure 5-5, which follows, indicates the hotels and motels located in Halton Hills and near the Subject Site, along Highway 401. As indicated in the map, there are three hotels in Milton, approximately 5.5 kilometres west of the Study Area. There is also a concentration of six hotels located in Mississauga near the intersections

of Highway 401 and Winston Churchill Road and Highway 401 and Mississauga Road.

Figure 5-5: Surrounding Hotels



Source: Tate Economic Research Inc.: Data: Esri Business Analyst Environics Analytics.

The hotels near the Subject Site are operated by national chains such as Holiday Inn, Hilton, Comfort Inn, Marriot and Sheraton. These hotels generally range between 100 and 200 rooms and are 5 to 10 storeys. They focus on the business market segment and the travelling public.

The Subject Site represents a clear opportunity for a hotel use based on the lack of hotels at the Highway 401 / Trafalgar Road intersection and Halton Hills in general.

5.5 Ancillary Uses

There are several secondary uses planned in the Proposed Development. It is the opinion of TER that these uses are ancillary to the main waterpark use.

These uses such as the food hall, restaurant, flying theatre, family entertainment centre and spa will all have demand synergies with the hotel and waterpark use and therefore are considered appropriate uses on the Subject Site.

The opportunity and business case for these uses should be determined by individual operators of the uses. However, based on our knowledge of these uses, it is our opinion that ample opportunity exists to support these uses.

5.6 Proposed Development Demand Assessment

The preceding analysis has illustrated that the market area surrounding the Subject Site possesses the population and expenditure characteristics required for the successful operation of the Proposed Development.

6 Major Employment Use Assessment and Impacts

This section provides a high-level assessment of the resulting employment density on the Subject Site. This section of the report also provides our opinion on the impacts of the Proposed Development on the ability of the overall Premier Gateway Employment Area lands to achieve their intended function as well as the impacts on the supportive commercial requirements of the employment area.

6.1 Proposed Development Employment Density

Figure 6-1 illustrates the employment generated and resulting employment density on the developable portion of the Subject Lands. The purpose of this assessment is to evaluate whether the Proposed Development can be characterized as a major employment use.

Based on standard employee per square foot and employee per hotel room metrics, the Proposed Development would generate between 525 to 895 employees on-site. This represents direct employment and does not include indirect or construction employment.

Component	Size	Sq. ft. / Employee		Employment Generated	
		Low	High	Low	High
Waterpark	105,100	550	500	190	210
Ancillary	101,500	450	200	230	510
Component	Rooms	Employees / room		Employment Generated	
		Low	High	Low	High
Hotel	350	0.3	0.5	105	175
Total Employment Proposed Development				525	895
Developable Land (Hectares)				8	8
Employment Density (Jobs / Hectare)				67	115

The on-site direct employment represents an employment density of 67 to 115 jobs per hectare. Based on this employment density, it is our opinion that the Proposed Development can be considered a major employment generator.

It should be noted that the current employment density in the Premier Gateway Employment Area excluding the Toronto Premium Outlets is 9 jobs per hectare.⁶ The jobs per hectare at Toronto Premium Outlets is estimated at 120 jobs per hectare.⁷ Therefore from a relative perspective, the Proposed Development can also be considered a major employment generator.

In addition, the major employment generation at the Proposed Development will contribute to balancing the low employment generated within the logistics and warehouse developments which can range from 5 to 30 jobs per hectare. The demand for logistics and warehouse facilities is expected to remain strong in the GTA as e-commerce continues to grow and demand for associated logistics and warehouse facilities increases.

6.2 Impacts on the Premier Gateway Employment Area

It is the opinion of TER that the Proposed Development will not impact the employment land development in the larger Premier Gateway Employment Area. This opinion is based on the following:

- The lands immediately to the west of the Subject Site in the Phase 1B Employment Area are subject to the development application for warehouse uses on a 74 acre parcel.
- The Proposed Development is physically separated from the remainder of the Phase 2B Employment Area by the Sixteen Mile Creek tributary feature and therefore will not be a detriment to future employment uses.
- It is noted there were similar concerns raised about the impact of Toronto Premium Outlets when it was initially proposed. However, currently there are two major employment development applications in the Phase 1B Employment Area. One of these development applications is located directly opposite Toronto Premium Outlets as illustrated in Figure 4-2 of this report.

⁶ Many of the new warehouse / distribution centres have densities as low as 5 to 10 jobs per hectare.

⁷ Watson & Associates Economists Ltd. Employment Land Needs Assessment, Town of Halton Hills, Phases 1 & 2 Final Report, January 14, 2020.

- We assume that the proposed widening of Steeles Avenue West will accommodate future traffic and mitigate issues anticipated by the increased traffic at the Subject Site.
- The main access to Phase 1B is via Trafalgar Road to the west. There is also a collector road proposed west of Trafalgar Road. In addition, there is also a collector road proposed within the Phase 2B Employment Area which will alleviate traffic along Steeles Avenue.
- Components of the Proposed Development such as the food services and hotel will play a supportive commercial role, serving the surrounding employment lands. However, based on our Supportive Commercial Needs work for Phases 1B and 2B, we continue to support the current Business Commercial Area within Phase 1B and the proposed Supportive Commercial Area in Phase 2B.

6.3 Major Employment Use Assessment and Impacts on Premier Gateway Employment Area Conclusions

It is the opinion of TER that the Proposed Development represents a major employment use based on its scale and the potential employment density. Furthermore, it is our opinion based on the location and surrounding uses, that the Proposed Development will not impact the employment land development in the Premier Gateway Employment Area when lands come to market.

Appendix A

**Proposed Development
Phase 2B Premier Gateway Employment Area**

**Employment Analysis & Scoped Needs Assessment
Terms of Reference**

Prepared for: Town of Halton Hills

January 31, 2020

September 7, 2021 - Revised



Background

The Subject Lands are located at the north east quadrant of Eighth Line and Steeles Avenue, in the Phase 2B Premier Gateway Employment Area, in the Town of Halton Hills. The proposed development on the Subject Lands would consist of an 105,000 square foot indoor / outdoor waterpark, a 350 room hotel and other ancillary uses.

A privately initiated Official Plan Amendment is being prepared for the Subject Lands for a hotel, conference centre, waterpark and entertainment facility and other ancillary use in place of a municipally initiated Secondary Plan.

There is an existing employment area known as Phase 1B lands located north of Steeles Avenue and west of Eighth Line. The Subject Lands are located immediately east of the Phase 1B lands. Eighth Line forms the boundary between Phase 1B lands and Phase 2B lands. Phase 1B lands to the west of Eighth Line are phased for development pre 2021 and the Phase 2B lands to the east of Eighth Line are phased for development post 2021. The Secondary Plan process for the Phase 2B lands is currently underway.

It is our understanding that an Employment Analysis & Scoped Needs Assessment is required to analyze the opportunity for the Subject Lands, including confirming its function as a major employment generating commercial use and evaluating its impact, if any, on the 2B Secondary Plan in process with respect to recommended designations and policy framework related to supportive commercial uses.

Work Scope

Based on our review of concept plans, discussions with Town staff and our experience in Halton Hills, specifically with commercial uses in employment lands, TER has prepared the following work scope:

Development Concept Assessment – The purpose of this section of the report will be to assess the attributes of the development, in terms of the competitive environment and employment generated.

Site Suitability – The purpose of this section of the report will be to assess the suitability of the Subject Lands from the perspective of the location, accessibility and appropriateness of the employment lands location. The suitability of the Subject Lands will also be assessed through a macro lens vis-a-viz other GTA locations.

Demand for the Proposed Use – The purpose of this section of the report will be to assess the high level demand for the proposed waterpark, hotel and ancillary uses based on existing research and reports conducted for the Phase 2B Lands and the proposed use.

Impacts on the Phase 2B Secondary Plan Lands – This section of the report will assess the implications of the proposal on the Secondary Planning process underway for the 2B lands. As part of this analysis, TER will examine:

- Whether the use is appropriate within the policy formulation context underway for the 2B Premier Gateway Employment Area Secondary Plan and the Region Official Plan, including Section 77(20.1) b);

Report Preparation – TER will prepare a succinct report summarizing our research, analysis and conclusions.